



Sacramento Metropolitan Fire District

10545 Armstrong Ave., Suite 200 • Mather, CA 95655 • Phone (916) 859-4300 • Fax (916) 859-3700

KURT P. HENKE
Fire Chief

BOARD OF DIRECTORS – ACTION SUMMARY **Thursday, June 13, 2013 – 6:00 p.m.**

City of Rancho Cordova City Hall-Council Chambers
2729 Prospect Park Drive
Rancho Cordova, California

CALL TO ORDER

The meeting was called to order by President Kelly. Board Members present: Clark, Goold, Jones, Kelly, Monk, Orzalli, Scheidegger, Wood. Director Pierson, absent. Staff: Fire Chief Henke, Board Clerk Tilson, General Counsel Lavra.

PLEDGE TO FLAG

METRO CABLE 14 ANNOUNCEMENT

The open session meeting is videotaped for cablecast on Metro Cable 14. Replay on Saturday, June 15, 2013 at 1:00 PM and Monday, June 17, 2013 at 6:00 PM on Channel 14; Webcast at www.sacmetrofire.ca.gov.

The open session meetings are also available for viewing on the District website at www.metrofire.ca.gov

PUBLIC OPPORTUNITY TO DISCUSS MATTERS OF PUBLIC INTEREST WITHIN DISTRICT JURISDICTION INCLUDING ITEMS ON OR NOT ON THE AGENDA

BILLING, INVOICE AND COLLECTION PRACTICES – WAYNE CROWDER

Mr. Crowder stated he prepared a memo that was in the Board packets but a lot has happened since he dropped it off today. Fire Chief Henke addressed most of the issues and they are going to be handled in a positive manner. Praised the Metro fire personnel of ambulance 105 and fire truck 101 who responded to a 9-1-1 call and transported him to the hospital. Credited them with saving his life. Relative to billing and invoicing, he recommended an independent audit of current billing, invoicing, and collection practices. His credit took a heavy hit because he never received an invoice but it was sent to collection. Recommended an evaluation of the policy of collections so invoicing can be done correctly and consider pulling collections back in-house. Encouraged the District to embrace ObamaCare. Just wants to see the machine functioning and working better.

President Kelly thanked him for appearing and stated changes will be made with a shift in the current billing company. Appreciated the comments made regarding the District.

Fire Chief Henke provided some clarification on the issue. He met with Mr. Crowder and addressed the issues and will follow up. Mr. Crowder brought up a good idea and maybe we can have an ombudsman program with volunteers to help people with the issues.

BILLING – FIRE INSPECTION FEES – ELIAS JBEILY

Mr. Jbeily addressed the issue of billing. He has two businesses in the North Highlands area— a laundromat and a gas station. He selected the self-inspection at the cheaper rate of \$110. He was confused on what services he gets for this. On the gas station, he received three different bills totaling \$728 for approximately 50 minutes of inspection and would like an explanation.

Fire Chief Henke explained that the District follows up with spot audits to see if the inspections are done. There is staff time that goes into that to pay for the direct and indirect costs. NBS analyzes all of our costs which is required by a governmental agency.

On the gas station, Fire Chief Henke will have the Fire Marshal meet tonight with him to address the technical aspects of that issue.

FIRE INSPECTION/FIRE RECOVERY USA – TONY GUERRERO

Mr. Guerrero stated he has a roofing business in North Highlands and wanted to know how the \$182 fee was determined. He requested a fee schedule. He noticed the District is using a third party billing company and wanted information on the company. The company called him and he confirmed receipt of the bill and was told if it isn't paid, it will go into penalties.

Fire Chief Henke stated he will take care of this since they work for the District. NBS does a cost analysis and determines the hourly fee which meets the legal concept of billing. He would be happy to meet with him and provide the cost analysis. In regards to Fire Recovery USA, bids have gone out and the Board will be voting on a new billing company which will alleviate a lot of concerns.

CONSENT AGENDA:

1. Board Meeting Action Summary – May 9, 2013

- **Board Action:**

Clark/Jones—Approve the Consent Agenda item. Roll Call: Directors Clark, Goold, Jones, Kelly, Monk, Scheidegger, Wood, AYE. Director Orzalli, abstained. Director Pierson, absent. Motion passed.

ACTION ITEM(S):**1. Disclosure of Material Expenditure – Commercial Insurance – Special District Risk Management Authority – (Wells)**

- Pete Keller of Wells Fargo Insurance Services was present to answer any questions.
- Wells Fargo Insurance Services provided the District's insurance brokerage services and managed the marketing of the District's commercial insurance. The commercial insurance package incorporates the following areas of coverage: property, automobile, and general liability. General liability is an all encompassing package and provides coverage of risk in several areas including employment practices, employment benefits, and management liability. Several carriers were contacted during marketing with responses from the following five firms.

Carrier	Annual cost	Notes
SDRMA, JPA pool	\$396,003.96	Does not include broker fees
ESIP	\$470,841	Does not include broker fees
VFIS	Declined to bid	Loss history
Fireman's Fund	No bid	Program not available in CA
Philadelphia	No bid	Declined –SMFD is too large

- SDRMA is the lowest, most responsive, responsible carrier and is the recommendation of Wells Fargo Insurance Services to carry the District's commercial insurance needs.
- Staff recommended the Board of Directors authorize the payment of \$396,003.96 to the Special District Risk Management Authority for commercial insurance.
- **Board Action:**
Goold/Monk—Approve the staff recommendation. Roll Call: Directors Clark, Goold, Jones, Kelly, Monk, Orzalli, Scheidegger, Wood, AYE. Director Pierson, absent. Motion passed.

2. Disclosure of Material Expenditure – Aviation Liability Insurance – Ace Westchester Fire Insurance Company – (Wells)

- Wells Fargo Insurance Services provided the District's insurance brokerage services and managed the marketing of the District's aviation liability insurance. The aviation liability insurance package required coverage for two helicopters with \$1.5 million hull valuation and \$10 million bodily injury and property damage. The insurance requested includes any pilot approved by Sac Metro Fire's Chief Pilot or designee and covers all uses in connection with the operations of Sac Metro Fire including mutual aid agreements. Several carriers were contacted during marketing with the following responses from five firms.

Carrier	Annual cost	Notes
ACE	\$79,527	Incumbent
W. Brown & Assoc	\$215,000	
Starr Aviation	\$110,694	
QBE	Declined to bid	
Global Aerospace	Declined to bid	

- ACE Westchester Fire Insurance Company is the lowest, most responsive, responsible carrier and is the recommendation of Wells Fargo Insurance Services to carry the District's aviation liability insurance needs.
- Staff recommended the Board of Directors authorize the payment of \$79,527 to ACE Westchester Fire Insurance Company for the purchase of aviation liability insurance.
- **Board Action:**
Goold/Monk—Approve the staff recommendation. Roll Call: Directors Clark, Goold, Jones, Kelly, Monk, Orzalli, Scheidegger, Wood, AYE. Director Pierson, absent. Motion passed.

3. Disclosure of Material Expenditure – Excess Workers' Compensation Insurance – Safety National Casualty Corporation – (Wells)

- Wells Fargo Insurance Services provided the District's insurance brokerage services and managed the marketing of the District's excess workers' compensation liability insurance. This type of coverage provides the District additional insurance coverage in the event of a catastrophic workers' compensation loss that could occur in excess of our self-insured retention (the portion the District would pay before the insurance pays). For these quotes, self-insured retentions of \$2.5 and \$3.0 million, per occurrence, were selected, consistent with limits chosen last year. Several carriers were contacted during marketing with the following responses from six firms.

Carrier	Self-Insured Retention/Limit	Annual cost
Safety National	\$3,000,000/Statutory	\$348,108
New York Marine & General	\$2,500,000/\$50,000,000	\$210,000 to \$250,000 indication
Star Insurance Co.	\$1.7mm first 12 months, \$700,000 second 12 months, \$350,000 third 12 months & every year thereafter / Statutory	Premium Range \$160,000 \$180,000
Arch Insurance Co	No bid	Not writing CA fire districts at this time
Midwest Employer Casualty	No bid	Not writing CA fire districts at this time, max limits of \$25mm.
ACE USA	No bid	Pulled out of fire districts in CA

- Safety National Casualty Corporation with an SIR of \$3,000,000 was chosen as the lowest, most responsive, responsible carrier and is the recommendation of Wells Fargo Insurance Services to carry the District's excess workers' compensation insurance needs. Based on loss history, no single workers' compensation claim has exceeded \$1 million, so a higher self-insured retention of \$3 million was chosen to keep the costs of insurance down. Safety National's quote that includes statutory limits is the best policy an agency could secure and is therefore a more desirable choice than New York's limits of \$50 million. Safety's quote of \$348,108 is an increase of 11% from the premium amount of last year's policy.

Mr. Keller explained that the 11% increase is normal due to medical costs.

- Staff recommended the Board of Directors authorize the payment not to exceed \$348,108 to Safety National for excess workers' compensation insurance.
- **Board Action:**
Goold/Clark—Approve the staff recommendation. Roll Call: Directors Clark, Goold, Jones, Kelly, Monk, Orzalli, Scheidegger, Wood, AYE. Director Pierson, absent. Motion passed.

4. Disclosure of Material Expenditure – Insurance Brokerage Services – Wells Fargo Insurance Services– (Wells)

- Wells Fargo Insurance Services provides insurance brokerage services. Services include risk management, marketing, day-to-day consulting on servicing of insurance, claims services and risk engineering services. For the fiscal year 2013/2014, Wells Fargo Insurance Services brokered the District's commercial insurance package.

- Staff recommended the Board of Directors authorize the payment of \$40,000 to Wells Fargo Insurance Services for insurance brokerage services.

- **Board Action:**

Scheidegger/Monk—Approve the staff recommendation. Roll Call: Directors Clark, Goold, Jones, Kelly, Monk, Orzalli, Scheidegger, Wood, AYE. Director Pierson, absent. Motion passed.

5. Bid Award – Traffic Signal Installation – Zinfandel Training Center—(Holbrook)

- Providing the traffic signal at the intersecting driveway at the Zinfandel Training Center fulfills a development agreement between Metro Fire, the training JPA, and the City of Rancho Cordova. The signal will also enhance safety for entry and exiting. The cost of the Traffic Signal will be a 50% split with the training JPA per our lease agreement.
- In response to a request for bids, Metro Fire received the following two bids:

Pacific Excavation INC.	-	\$220,209
M&M Electric	-	\$245,963

- This project was budgeted in the FY2012/2013. Based on the lowest bidder, Pacific Excavation Inc. for \$220,209 and the reimbursement from the JPA in the amount of \$110,104.50, the overall fiscal impact to Metro Fire is \$110,104.50.
- Staff recommends approving the bid award to Pacific Excavation Inc. in the amount of \$220,209.00 for installation of a traffic signal.

- **Board Action:**

Goold/Monk—Approve the staff recommendation. Roll Call: Directors Clark, Goold, Jones, Kelly, Monk, Orzalli, Scheidegger, Wood, AYE. Director Pierson, absent. Motion passed.

6. Bid Award – Fire Station 50 Roof—(Holbrook)

- A roof replacement at Fire Station 50 was included in the FY12/13 Final Budget; however, before the roof could be replaced, a structural beam issue in the apparatus bay was reported in August. After a structural engineering evaluation, the District hired a contractor to repair the gluelam beams in the apparatus bay to restore structural integrity. Now that the repair is complete, the District can move forward with the planned roof replacement.

- In response to a request for bids, the following three were received:

MCM Roofing (McClellan, CA)	-	\$ 82,950
Sierra Single Ply, Inc. (McClellan, CA)	-	\$ 84,000
Alliance Roofing Company, Inc. (San Jose, CA)	-	\$113,461

- The lowest responsible bidder was MCM Roofing at \$82,950. This project was included in the FY12/13 Final Budget; however, due to the delay caused by the repairs needed at Station 50, this project will be completed in the next fiscal year so the previously budgeted funds have been carried over into the FY13/14 Preliminary Budget.
- Staff recommended approving the bid award to MCM Roofing in the amount of \$82,950 for the roof replacement at Fire Station 50.
- **Board Action:**
Goold/Monk—Approve the staff recommendation. Roll Call: Directors Clark, Goold, Jones, Kelly, Monk, Orzalli, Scheidegger, Wood, AYE. Director Pierson, absent. Motion passed.

7. Bid Award – Cost Recovery Services for Community Risk Reduction (CRRD)—(Iverson)

- In response to a Request for Qualifications (RFQ), the following two bids were received:

1. Fire Recovery USA	Proposed Fee
Full Inspection	\$16.00 per paid inspection (8.75% of amount collected)
Self-Inspections	\$10.50 per paid Inspection (11.5% of amount collected)
2. Wittman Enterprises, LLC	
Standard Inspection (full Inspection)	Net 7% of amount collected
Self-Inspection Manual & online	Net 7% of amount collected

- On May 28, 2013, a nine-member review team evaluated the proposals with representatives from CRRD, Finance, IT, and Purchasing. Evaluations were based on 10 categories; company profile, staffing, project understanding, methodology, experience and qualifications, records maintenance, past performance, financial information, software & hardware, and fee proposal. Each category was assigned a point's value, adding to a total of 100 points maximum per evaluator.

All evaluators gave Wittman Enterprises a higher total score on all categories.

- Funds for this expense have been allocated in FY 13-14 budget. Based on Wittman's proposed charges there will be an average of 3% cost savings from our current contract with Fire Recovery.
- In response to Director Goold, Fire Chief Henke stated that the District does not have enough staff or the expertise to bring the billing process in-house. On a per capita basis in the last 12 months, two people have come to the Board and both issues were resolved. A voluntary ombudsman program is a consideration to help people with these issues.
- Staff recommended the Board award the bid to Wittman Enterprises, LLC.
- **Board Action:**
Goold/Clark—Approve the staff recommendation. Roll Call: Directors Clark, Goold, Jones, Kelly, Monk, Orzalli, Scheidegger, Wood, AYE. Director Pierson, absent. Motion passed.

8. Bid Award – Hot End Inspection Service—(Holbrook)

- Metro Fire's Copter 1 is in need of a Hot End Inspection of the power producing section of the turbine engine that is usually conducted at 1200 hours of flight time. This service includes the inspection and all associated repairs.
- Funds are budgeted in the FY2012-13 mid-year budget adjustments adopted by the Board on February 14, 2013.
- In response to a Request for Formal Bid, the following four bids were received:

Cappsco	-	\$ 84,361
Mint Turbines	-	\$132,634
Air Technology	-	\$107,583
Airborne Engines	-	\$168,500

- Staff will be bringing back an RFP for the helicopter maintenance.
- Director Orzalli suggested an overview of the helicopter program for cost versus benefits.

Fire Chief Henke stated a full presentation will be made when this is brought back to the Board.

- Staff recommended awarding the bid to Cappsco in the amount of \$84,361 for the Hot End Inspection.

- **Board Action:**
Jones/Orzalli—Approve the staff recommendation. Roll Call: Directors Clark, Goold, Jones, Kelly, Monk, Orzalli, Scheidegger, Wood, AYE. Director Pierson, absent. Motion passed.

9. Extension of SMFD Aircraft Service Contract with DynCorp—(Holbrook)

- Under the contract, DynCorp International will provide the necessary personnel to maintain the two (2) Bell UH-1H helicopters. SMFD personnel will monitor the contractor's performance and service provided. The majority of maintenance work will be performed at Station 115, located at McClellan Field.
- The extension of the contract is eighteen (18) months. The current contract terminates on December 31, 2013. The optional renewal (extension) period shall commence January 1, 2014, and terminate June 30, 2015.

Either party may cancel the agreement at any time by giving a thirty (30) day notice to the other party.

- Separate from the agreement, SMFD may contract for operational and logistical support. SMFD may contract outside the agreement or directly with other vendors for the purchase of parts for all needs related to the agreement for overhaul or repair of parts and components related to the aircraft.
- DynCorp shall be compensated for expenses incurred, including travel, per diem, and taxes. Upon execution of the contract, SMFD would agree to pay DynCorp International upon submission of an itemized, signed original invoice, payable within forty-five (45) calendar days.
- The anticipated cost over the 18-month contract is \$255,500.
- Staff recommended the Board of Directors authorize staff to proceed and execute the extension of the Aircraft Support Contract with DynCorp International, LLC.
- Director Goold suggested reaching out to other organizations regarding one maintenance group for multiple agencies within our area to achieve cost efficiencies.

Deputy Chief Holbrook stated around two years ago a presentation was made to the Sheriff's Department regarding a regional approach on multiple issues from a public safety hangar to maintenance and types of ships. He cited two existing problems – the type of platform flown dictates

the type of vendor utilized for service. The Sheriff's platform is different and they can't use DynCorp; the other problem is political.

President Kelly offered Board assistance if necessary.

- **Board Action:**

Jones/Scheidegger—Approve the staff recommendation. Roll Call: Directors Clark, Goold, Jones, Kelly, Monk, Orzalli, Scheidegger, Wood, AYE. Director Pierson, absent. Motion passed.

10. Resolution No. 2013-71 – FY12 AFG Fire Prevention & Safety Grant Acceptance—(Davis)

- On January 18, 2013, the Sacramento Metropolitan Fire District submitted an application for grant funds to FEMA under the federal FY 2012 AFG Fire Prevention and Safety Grant Program (FP&S). On April 29, 2013, the District received notification of award in the amount of \$993,504 for an integrated wildland fire prevention program.

The federal funding award is \$794,804 and the District will be responsible for a cost match in the amount of \$198,700.

- Staff recommended adoption of the Grant Acceptance Resolution.

- **Board Action:**

Scheidegger/Goold—Adopt the Resolution. Roll Call: Directors Clark, Goold, Jones, Kelly, Monk, Orzalli, Scheidegger, Wood, AYE. Director Pierson, absent. Motion passed.

11. Resolution No. 2013-72 – CMAR Agreement – Roebbelen Construction Management Services, Inc. – Zinfandel US&R Props —(Davis)

- In 2008, the Sacramento Metropolitan Fire District purchased fifty-three acres of land at 3801 Zinfandel Drive in Rancho Cordova for the development of fire training facilities in support of the District's in-service training. On December 19, 2011 the District and the California Fire and Rescue Training Authority (CFRTA) entered into a lease agreement for 8.25 acres of the land on the site for the development of Urban Search and Rescue (US&R) facilities. The development of the US&R props on the leased land is in support of the CFRTA mission to provide US&R training for California's eight federally funded US&R teams. Subsequently, the CFRTA requested that the District administer the design, construction and installation of the US&R props to support the CFRTA training on the site.
- On March 14, 2013, the District approved the execution of a reimbursement agreement with the CFRTA not to exceed \$1,300,000 for costs the District will incur for the design, construction and installation of the US&R props on the site. Roebbelen Construction Management

Services, Inc. has been selected from the District's multiple award schedule for construction manager at risk services (CMAR) as outlined in the professional services agreement. The District entered into an agreement earlier this year with MFDB Architects for the design of the US&R props not to exceed \$155,500.

- The total development cost for the project has been estimated by the CMAR to be \$2,048,849. If additional funds to complete the project as designed are not identified, the project will be scaled back in order to deliver the project within the amount approved in the existing reimbursement agreement.
- The fee for pre-construction services in the design and trade contractor bidding phase as outlined in the professional services agreement shall not exceed \$10,000 and will be reimbursed fully by the CFRTA. The total projected budget for the construction of the US&R props (including the CMAR fees) is \$2,048,849; however the final costs will be determined upon the conclusion of the trade contractor bidding phase.
- Staff recommended adoption of the resolution authorizing execution of the professional services agreement with Roebbelen Construction Management Services, Inc. for CMAR services for the US&R props at Zinfandel.
- **Board Action:**
Monk/Jones—Adopt the Resolution. Roll Call: Directors Clark, Goold, Jones, Kelly, Monk, Orzalli, Scheidegger, Wood, AYE. Director Pierson, absent. Motion passed.
- A video of the proposed Zinfandel Training Center with the classrooms and training props was shown. All of the props on the facility will have the ability to be controlled from an on-site control tower.

**12. FISCAL YEAR 2012/13 BUDGET AMENDMENT – SAFER GRANTS—
(McFarlane)**

- a. **Resolution No. 2013-73 – Amending General Fund 212-A Budget for SAFER Grant**
- b. **Resolution No. 2013-74 – Amending Grant Fund 212-G Budget for SAFER Grant**
 - Staff recommended adoption of the resolutions amending the Mid-Year 2012/13 Budget for General Fund 212-A and Grant Fund 212-G in relation to the Staffing for Adequate Fire and Emergency Response (SAFER 2010) Grant.
 - The amendments will increase the FY 2012/13 Grant Fund 212-G budget by \$370,000 while decreasing the General Fund 212-A budget by \$370,000.

- **Board Action:**
Scheidegger/Goold—adopt the Resolutions. Roll Call: Directors Clark, Goold, Jones, Kelly, Monk, Orzalli, Scheidegger, Wood, AYE. Director Pierson, absent. Motion passed.

13. Fiscal Year 2012/13 Budget Amendment – Inter-fund Loan Transfers— (McFarlane)

- a. **Resolution No. 2013-75 – Amending General Fund 212-A Budget for Inter-fund Transfers**
- b. **Resolution No. 2013-76 – Amending Capital Facilities Fund 212-D Budget for Inter-fund Transfers**
- c. **Resolution No. 2013-77 – Amending Leased Properties Fund 212-L Budget for Inter-fund Transfers**
 - Staff recommended adoption of the resolutions amending the Mid-Year 2012/13 Budget for General Fund 212-A, Capital Facilities Fund 212-D, and Leased Properties Fund 212-G in relation to inter-fund loans.
 - In FY 2011/12 and FY 2012/13, the Capital Facilities Fund 212-D provided inter-fund loans in the amount of \$407,778 and \$113,930, respectively, for a total of \$521,708 to the recently formed Leased Properties Fund 212-L in order to cover shortfalls in that fund. Since the Capital Facilities Fund is a special revenue fund which is restricted by law, the loans made from it are only allowable if they are repaid before the end of the current fiscal year. In order for the Leased Property Funds to make the payment, it needs to borrow from the General Fund to cover this repayment.
- **Board Action:**
Goold/Monk—adopt the Resolutions. Roll Call: Directors Clark, Goold, Jones, Kelly, Monk, Orzalli, Scheidegger, Wood, AYE. Director Pierson, absent. Motion passed.

14. Resolution No. 2013-78 – Industrial Disability Retirement – Glenn Heustess— (Wells)

- Application filed with the Public Employees' Retirement System, effective April 3, 2013.
- Findings determine that the disability is a result of injury or disease arising out of and in the course of employment.
- Staff recommended adoption of the Resolution.
- **Board Action:**
Monk/Jones—Adopt the Resolution. Roll Call: Directors Clark, Goold, Jones, Kelly, Monk, Scheidegger, Wood, AYE. Director Orzalli, abstained. Director Pierson, absent. Motion passed.

PRESENTATION ITEM(S)**1. Firefighters Burn Institute – Chiefs’ Fill the Boot Challenge Trophy – (Jim Doucette, Executive Director)**

Jim Doucette, Executive Director of the Firefighters Burn Institute, thanked Fire Chief Henke and the Fire Department for their help and support over the years. The Chiefs’ Challenge was started in 2008 at the Sunrise Mall during the Fill-the-Boot drive. Whoever raises the most money has their name placed on the perpetual trophy. This year Fire Chief Henke raised the most with over \$2,200. He presented the perpetual trophy for display in the District and also two plaques – one for the Fire District for their support and the other for Fire Chief Henke announcing him as the winner of this Chiefs’ Challenge. He thanked everyone at the Board level and all of the employees. Raised about \$113,000 this year over the weekend and could not do the work without the help of the firefighters and others.

Fire Chief Henke accepted the trophy and thanked the staff, Board and everyone who donated.

2. Fiscal Year 2013/2014 Proposed Preliminary Budget—(Henke/McFarlane)

Fire Chief Henke stated CFO McFarlane will bring the Board up-to-date on where we are in this current year. The Finance Committee was updated earlier. Some corrections were made that put this budget in a more positive position. Less Reserves will be required than previously budgeted. This sets the base for the new budget year, with a brief presentation and no action to be taken tonight. Formal adoption of the Preliminary Budget will be at the meeting on June 27, 2013.

Chief Financial Officer McFarlane gave a PowerPoint presentation, including but not limited to:

FY 2012/13 Budget

- Known factor going into the Board Retreat was a \$4 million impact to Reserve funds
- After full analysis
 - Revenue**
 - ✓ Additional in EMS & Property Taxes +\$666,000
 - Labor**
 - ✓ Thirteenth CalPERS payment accrual to Cash Adjustment +\$1.7 million
 - ✓ Other Labor items +\$2.5 million
 - Other**
 - ✓ Unspent Service & Supplies +\$667,000
 - ✓ Transfer to Leased Property Fund -\$522,000
- Estimated ending “Undesignated” Reserves of \$12 million

FY 2013/14 Budget

- ✓ Status quo budget
- ✓ Balanced budget
- ✓ No use of “unassigned” reserves

Program Changes

- ✓ GEMT - Expect to be reimbursed within the next 60-90 days
- ✓ Community Risk Reduction Division cost recovery reset to reflect actual 2012/13 revenue
- ✓ 2010 SAFER Grant Firefighters moved to the General Fund filling vacancies created from retirements
- ✓ Single Role Paramedic Program for entire year (additional 8 months over the prior year)
- ✓ Impacts of FY2012/13 concessions and OPEB prefunding costs

General Fund – Revenue

- ✓ Property taxes are 72% of the revenue
- ✓ Proposed Revenue of \$152,341,000, up \$488,000
- ✓ Property taxes up \$4.9 million
- ✓ Permit and Fee cost recovery down \$2.3 million
- ✓ Prior year deployment revenue removed \$1.9 million
- ✓ Medic Fees up \$6.4 million

General Fund -- Expenditures

- ✓ Expenditures total \$152,465,427
- ✓ Labor costs \$131.2 million, down \$2.7 million
- ✓ Labor costs reflect \$11 million in savings from ongoing employee and retiree concessions
- ✓ Total labor costs are 86% of operating expenditures
- ✓ Services and Supplies \$18.3 million, up \$1.7 million
- ✓ Budgeted \$220,000 for Ambulance Service dispute in case there is litigation
- ✓ Taxes, Licenses, Assessments, Contributions and Debt Services- \$2.4 million
 - Includes \$1.9 million in County Property Tax Administration Fee
- ✓ Capital Outlay \$541,000

Capital Facilities Fund

- ✓ Revenue
 - \$1.27 million in Development Impact Fees
 - \$1.47 million in matching funds from other agencies
- ✓ Bond proceeds from 2011 issuance - \$715,000
- ✓ New equipment leases - \$3.1 million
- ✓ Use of Capital Reserves - \$1.95 million

Capital Facilities Fund - Expenditures

- ✓ Total of \$9.3 million

Grants

- ✓ A bar graph demonstrated the amount of grant awards for the last five fiscal years totaling around \$21.8 million

Leased Properties Fund

- ✓ A bar graph illustrated revenue over direct costs on leased properties at Armstrong, Hurley, Zinfandel, Others
 - Debt Service of \$460,000 for the 2011 Lease Revenue Bond is paid with Headquarters Armstrong Building rental income from Sutter Health

- Fire Chief Henke stated the 2013/2014 budget is balanced but there are challenges in future years because the District is not adequately funded relative to deferred building maintenance, deferred fleet replacement, and Administration is not adequately staffed. Future property tax increases keeping pace with expenditures and Capital Outlay requirements is an unknown factor.
- Director Scheidegger inquired about the status of a two-year budget.

Fire Chief Henke stated he discussed this issue with CFO McFarlane but the wide swings in revenue make it difficult to estimate. In the next two fiscal years we can start to extend out to a two-year budgeting cycle and build a model of our needs once we work through this fiscal year and see what is happening to property tax and the GEMT.

- Director Orzalli thanked the Fire Chief and staff for all the work. Including Records Management is money well spent.

PRESIDENT'S REPORT—(Kelly) None

FIRE CHIEF'S REPORT—(Fire Chief Henke)

- Deputy Chief Scott Cockrum will be the Acting Fire Chief in his absence.
- He is getting married on Monday and will be gone Tuesday for a couple of weeks out of the country.

OPERATIONS REPORT – Deputy Chief Chris Holbrook

- A press conference will be held tomorrow. A Boeing 727 donated to Sacramento Metropolitan Fire District by Fed Ex will land at Mather Air Park. This will eventually be turned into a prop and placed out at the Zinfandel Training site to be utilized for US&R and law enforcement activities and a number of other activities. The flyer with details is included in the Board's packet.
- An open house will be held at Fire Station 29 this Saturday

GENERAL COUNSEL'S REPORT—(John Lavra) None

LOCAL 522 REPORT: None

COMMITTEE AND DELEGATE REPORTS:

Executive Committee—(President Kelly)

- No meetings

Communications Center JPA—(DC Cockrum)

- Next Meeting: June 25, 2013 – 9:00 AM
Cosumnes CSD Board Chambers
8820 Elk Grove Boulevard
Elk Grove, CA

California Fire & Rescue Training Authority—(Kelly)

- Gave a report on yesterday's meeting. Approved their budget.
- Next Meeting: September 4, 2013 – 10:00 AM
Location: 9320 Tech Center Drive
Sacramento, CA

Finance Committee—(Scheidegger)

- Extended kudos to management and the Finance Department for their work. The audit engagement letter is done and the firm we use just received the highest rating possible from their peers.
- Working on a charter for the Audit Committee which was a specific recommendation from the auditors.
- Next Meeting: July 11, 2013 – 5:00 PM

Policy Committee—(Pierson)

- No meetings scheduled.

BOARD MEMBER QUESTIONS AND COMMENTS:

Board Members:

- Congratulated Fire Chief Henke on his upcoming marriage.

Monk:

- It was impressive to see the helicopter flying out this afternoon and the job that it did in knocking down the fire that raced across the field from Watt Avenue to Walerga. A great stop by everybody involved.

Wood:

- Appreciated all the time and effort CFO McFarlane and staff put into the budget.
- Yesterday he saw Brenda Briggs presentation of the kids "Fire Camp". She did a great job.

Clark:

- Appreciated the hard work staff is doing.
- Thanked the men and women out there fighting the fires and doing the rescues and all that hard work.
- Cautioned the public that this is not only fire season but we also have a lot of people out on the water. He advised safety be exercised.

Jones:

- A sincere thank you to Mr. Crowder, Mr. Guerrero, and Mr. Jbeily who participated in our meeting tonight. This is their district and our district together. Citizen participation is key and thanked them for coming to discuss issues that are very important to the Board and the District.

Scheidegger:

- Congratulated Fire Chief Henke on winning the Fill-the-Boot trophy award.

Goold:

- Thanked staff for being conservative in their budget projections.

Kelly:

- 10470 Superfortress Avenue is just a few blocks south of this Armstrong building. (tomorrow's press conference location)
- Appreciated the staff putting the budget together.

CLOSED SESSION 6:30 PM**RECONVENE TO OPEN SESSION 7:00 PM**

Report by General Counsel Lavra:

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to California Government Code Section 54956.9 (a) – one (1) matter of Workers' Compensation Settlement Authority – one (1) matter of Industrial Disability Retirement

- A. Glenn Heustess and the Sacramento Metropolitan Fire District
Claim #SMDH-547638 – Industrial Disability Retirement—(Deputy Chief Wells)

No action taken. Resolution to be considered in Open Session (under Action Item No. 14).

- B. Bruce Thomas and the Sacramento Metropolitan Fire District
Claim #SMDG-541836—(Attorney Colin Connor)

By a vote of 7 – 0, with Director Pierson absent and Director Orzalli abstaining, the Board approved settlement of the Workers' Compensation claim.

2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION –
Significant Exposure to litigation pursuant to California Government Code Section 54956.9 (b): Five (5) cases

- A. Claim Against Public Entity Pursuant to Government Code Section 910
Ernest Adjei vs. Sacramento Metropolitan Fire District

By a vote of 8 – 0, with Director Pierson absent, the Board voted to reject the claim.

- B. Claim Against Public Entity Pursuant to Government Code Section 910
Linda Adjei vs. Sacramento Metropolitan Fire District

By a vote of 8 – 0, with Director Pierson absent, the Board voted to reject the claim.

- C. Claim Against Public Entity Pursuant to Government Code Section 910
Joel Adjei vs. Sacramento Metropolitan Fire District

By a vote of 8 – 0, with Director Pierson absent, the Board voted to reject the claim.

- D. Claim Against Public Entity Pursuant to Government Code Section 910
Mark Adjei vs. Sacramento Metropolitan Fire District

By a vote of 8 – 0, with Director Pierson absent, the Board voted to reject the claim.

- E. Claim Against Public Entity Pursuant to Government Code Section 910
Monique Lobato vs. Sacramento Metropolitan Fire District

By a vote of 8 – 0, with Director Pierson absent, the Board voted to reject the claim.

3. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION
Pursuant to California Government Code Section 54956.9 (c)

The Board met with Legal Counsel involving the potential civil lawsuit arising out of an incident that occurred in August of 2011 in the City of Lincoln. By a vote of 8 – 0, with Director Pierson absent, the Board voted to designate the City of Lincoln as the agency to file a civil action to seek cost recovery of allowable statutory costs incurred by the Sacramento Metropolitan Fire District arising out of that incident.

ADJOURNMENT –The meeting adjourned at 9:20 p.m.

Matt Kelly, President

Grant B. Goold, Secretary

Charlotte Tilson, Clerk of the Board